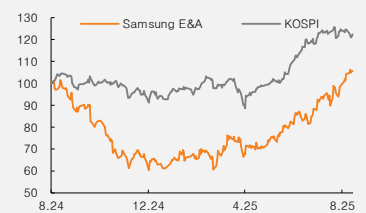


(Maintain)	Buy
Target price	▲ W38,000
Current price (8/22/25)	W28,550
Upside	33.1%

OP (25F, Wbn)	733
Consensus OP (25F, Wbn)	711
EPS growth (25F, %)	-20.2
Market EPS growth (25F, %)	23.2
P/E (25F, x)	9.3
Market P/E (25F, x)	11.7
KOSPI	3,168.73

Market cap (Wbn)	5,596
Shares (mn)	196
Free float (%)	79.4
Foreign ownership (%)	45.7
Beta (12M)	1.01
52-week low (W)	16,310
52-week high (W)	28,700

(%)	1M	6M	12M
Absolute	12.8	54.6	6.9
Relative	12.9	29.5	-8.6



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Samsung E&A

Relative investment appeal highlighted; order wins to resume

Non-hydrocarbon: Orders likely to recover in 2H25

Samsung E&A's non-hydrocarbon orders, which totaled only W330bn in 1H25, appear poised to recover in 2H25. Indeed, the company signed a contract for Samsung Electronics' (SEC) Pyeongtaek P4 project in July (W909.6bn; finishing work), and SEC's broader investment plans are likely to move forward now that legal risks involving certain group affiliates have been resolved. Additionally, Samsung E&A is awaiting bid results for Samsung Biologics' Plant 6 project. Of note, the contract value for Samsung Biologics' Plant 5 in Songdo was raised to around W1.9tr (vs. the initially disclosed W1.2tr). Against this backdrop, we believe the company is on track to achieve its full-year new order guidance of W11.5tr (including W4tr in non-hydrocarbon orders).

Hydrocarbon: Solid order pipeline and broadening product portfolio

In 1H25, hydrocarbon orders totaled only W2.3tr, mainly due to delays in securing the SAN VI blue ammonia project in Saudi Arabia (US\$3.5bn) and the US FEED-to-EPC blue ammonia project (US\$0.5–1bn); both projects are expected in 3Q25. Additional orders expected to be awarded by year-end include the Qatar NGL-5 project (US\$3.5bn), the Kuwait KOC gas project (US\$2bn), the UAE Shah gas project (US\$1.5bn), and the Ta'ziz project (US\$3bn).

Within the hydrocarbon segment, we also highlight the company's: 1) expansion into new product lines, including bioplastics, sustainable aviation fuel (SAF), and blue ammonia; and 2) recent FEED contract award for the Indonesian Abadi onshore LNG project, which could pave the way for future EPC participation in the LNG segment.

Lift TP by 19% to W38,000 and maintain Buy

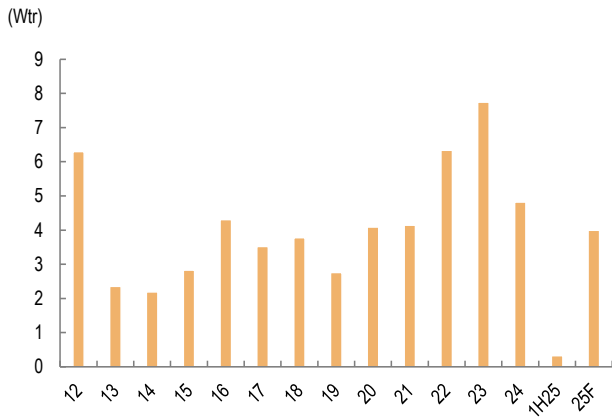
We maintain our Buy rating on Samsung E&A and raise our target price to W38,000 (from W32,000). We revised up our target P/B from 1.2x to 1.58x, reflecting a narrower valuation discount to global peers.

Within the sector, the stock's relative investment appeal has increased due to concerns over tighter safety regulations on domestic construction sites. In addition, a number of positive catalysts are likely to emerge, including a recovery in order intake (from 2H25), shareholder returns (cash dividends), and expectations for an earnings rebound. While net cash should decline somewhat (from W4tr at end-1H25 to W2.5tr at year-end) as the Saudi Fadhili project ramps up, the company is likely to maintain a strong cash position overall.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	10,625	9,967	9,414	10,995	12,351
OP (Wbn)	993	972	733	856	940
OP margin (%)	9.3	9.8	7.8	7.8	7.6
NP (Wbn)	754	757	604	689	762
EPS (W)	3,846	3,862	3,082	3,516	3,889
ROE (%)	24.4	19.6	13.4	13.7	13.5
P/E (x)	7.5	4.3	9.3	8.1	7.3
P/B (x)	1.6	0.8	1.2	1.1	0.9
Dividend yield (%)	0.0	4.0	2.3	2.3	2.3

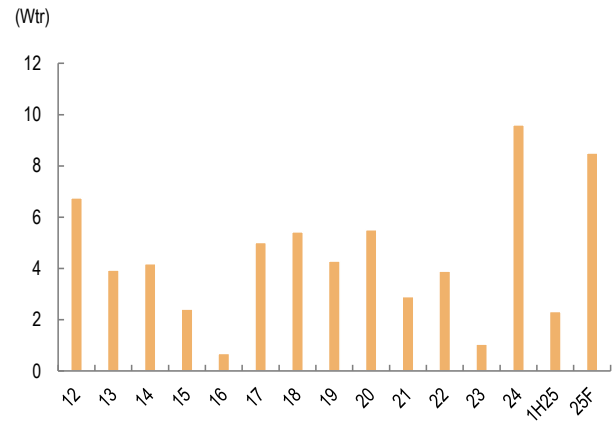
Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Figure 1. Samsung E&A: New orders (non-hydrocarbon)



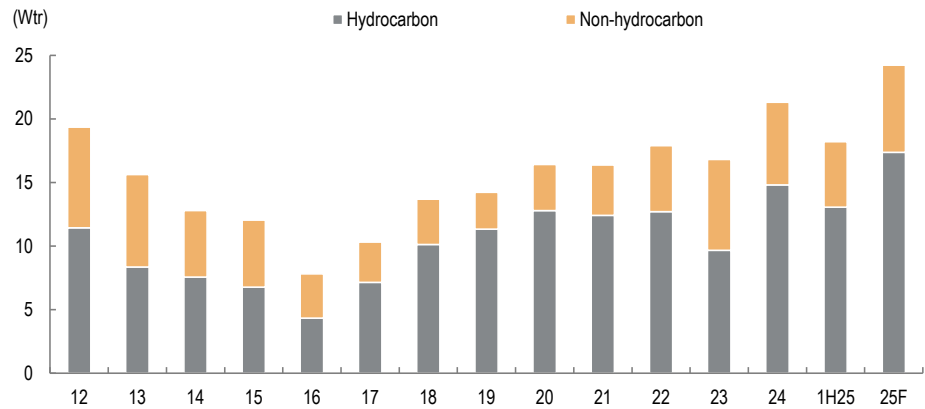
Source: Company data, Mirae Asset Securities Research estimates

Figure 2. Samsung E&A: New orders (hydrocarbon)



Source: Company data, Mirae Asset Securities Research estimates

Figure 3. Samsung E&A: Order backlog



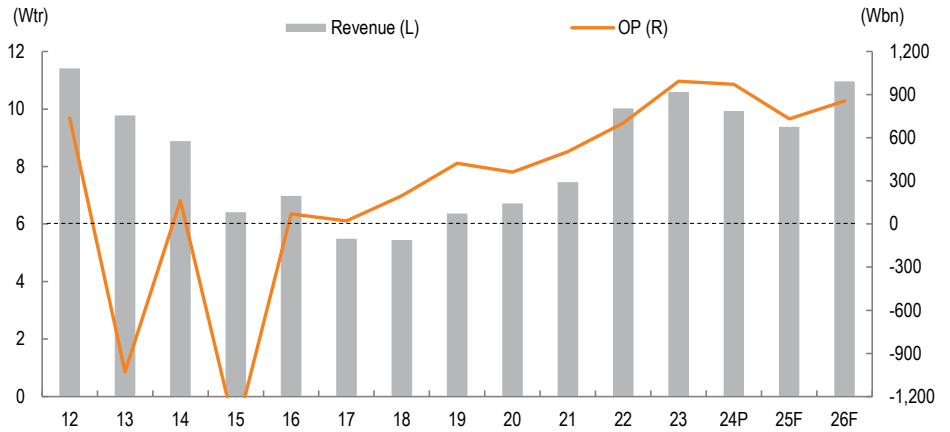
Source: Company data, Mirae Asset Securities Research estimates

Table 1. Samsung E&A: Potential overseas project orders

Country	Project	Order value (est.)	Timeline (est.)
Saudi Arabia	SAN VI blue ammonia	3.5	3Q25F
US	Blue ammonia	0.5	3Q25F
Qatar	NGL-5	3.5	2H25F
Kuwait	KOC gas	2	2H25F
UAE	ADNOC Shah gas	1.5	2H25F
UAE	Ta'ziz Salt	3	2H25F
Australia	CCS	0.5	2H25F
Saudi Arabia	LTC	6	2H25F
UAE	Bioplastics	0.5	2H25F
Mexico	New project category	2	2H25F
FEED-to-EPC	CCS	0.1	2H25F
Total		23.1	

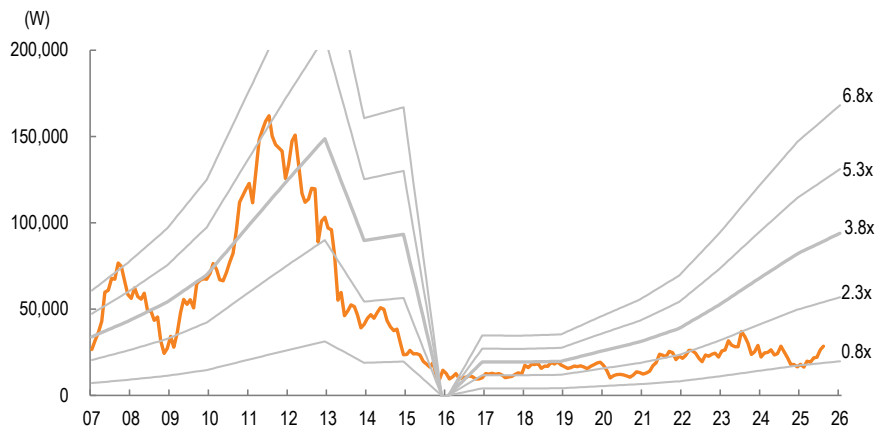
Source: Company data, Mirae Asset Securities Research

Figure 4. Samsung E&A: Revenue and OP trends



Source: Company data, Mirae Asset Securities Research estimates

Figure 5. Samsung E&A: P/B band chart



Source: Mirae Asset Securities Research

Table 2. Samsung E&A: TP calculation

	Value	Notes
BPS	24,252	2025F
Target P/B	1.58	10% discount applied to avg. P/B of global peers
Target price	38,000	
Current price	28,550	Aug. 22 closing price
Upside	33%	

Source: Mirae Asset Securities Research

Samsung E&A (028050 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	9,967	9,414	10,995	12,351
Cost of revenue	8,457	8,112	9,520	10,727
GP	1,510	1,302	1,475	1,624
SG&A expenses	538	569	620	685
OP (adj.)	972	733	856	940
OP	972	733	856	940
Non-operating profit	-68	86	99	117
Net financial income	44	64	65	69
Net income from associates	7	20	13	17
Pretax profit	904	819	955	1,057
Income tax	265	222	263	291
Profit from continuing operations	639	597	693	766
Profit from discontinued operations	0	0	0	0
NP	639	597	693	766
Attributable to owners	757	604	689	762
Attributable to minority interests	-118	-7	3	4
Total comprehensive income	598	632	693	766
Attributable to owners	759	616	675	746
Attributable to minority interests	-161	16	18	20
EBITDA	1,041	809	935	1,022
FCF	1,593	362	454	472
EBITDA margin (%)	10.4	8.6	8.5	8.3
OP margin (%)	9.8	7.8	7.8	7.6
Net margin (%)	7.6	6.4	6.3	6.2

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	1,636	430	524	541
NP	639	597	693	766
Non-cash income/expenses	449	219	251	273
Depreciation	43	46	48	50
Amortization	26	30	31	32
Other	380	143	172	191
Chg. in working capital	730	-127	-235	-290
Chg. in AR & other receivables	-350	167	-78	-147
Chg. in inventory	0	0	0	0
Chg. in AP & other payables	807	242	20	33
Income tax	-225	-337	-263	-291
Cash flow from investing activities	-50	-155	-158	-161
Chg. in PP&E	-42	-68	-70	-69
Chg. in intangible assets	-43	-37	-33	-35
Chg. in financial assets	79	-22	-35	-37
Other	-44	-28	-20	-20
Cash flow from financing activities	-30	-285	-132	-133
Chg. in financial liabilities	31	-103	-3	-4
Chg. in equity	0	0	0	0
Dividends	0	0	-129	-129
Other	-61	-182	0	0
Chg. in cash	1,681	-10	214	213
Beginning balance	915	2,596	2,585	2,799
Ending balance	2,596	2,585	2,799	3,013

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	7,942	8,078	8,475	8,954
Cash & equivalents	2,596	2,585	2,799	3,013
AR & other receivables	3,696	3,683	3,765	3,920
Inventory	0	0	0	0
Other current assets	1,650	1,810	1,911	2,021
Non-current assets	2,071	2,177	2,255	2,349
Investments in associates	223	294	322	366
PP&E	443	468	490	510
Intangible assets	99	105	107	109
Total assets	10,013	10,255	10,730	11,303
Current liabilities	5,871	5,604	5,521	5,467
AP & other payables	1,259	1,254	1,286	1,339
Short-term financial liabilities	161	58	56	52
Other current liabilities	4,451	4,292	4,179	4,076
Non-current liabilities	246	243	237	228
Long-term financial liabilities	18	18	17	17
Other non-current liabilities	228	225	220	211
Total liabilities	6,118	5,847	5,758	5,695
Equity attributable to owners	4,232	4,753	5,313	5,946
Capital stock	980	980	980	980
Capital surplus	-22	-22	-22	-22
Retained earnings	3,187	3,662	4,222	4,855
Minority interests	-336	-345	-341	-338
Shareholders' equity	3,896	4,408	4,972	5,608

Key valuation metrics/ratios

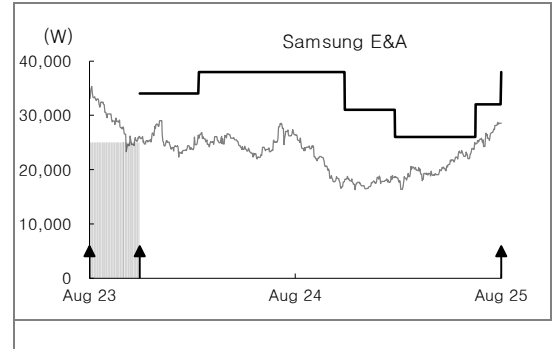
	2024	2025F	2026F	2027F
P/E (x)	4.3	9.3	8.1	7.3
P/CF (x)	3.0	6.9	5.9	5.4
P/B (x)	0.8	1.2	1.1	0.9
EV/EBITDA (x)	-	2.7	2.1	1.7
EPS (W)	3,862	3,082	3,516	3,889
CFPS (W)	5,547	4,163	4,813	5,304
BPS (W)	21,591	24,252	27,108	30,337
DPS (W)	660	660	660	660
Dividend payout ratio (%)	20.3	21.7	18.7	16.9
Dividend yield (%)	4.0	2.8	2.8	2.8
Revenue growth (%)	-6.2	-5.5	16.8	12.3
EBITDA growth (%)	-1.7	-22.3	15.6	9.3
OP growth (%)	-2.2	-24.6	16.8	9.8
EPS growth (%)	0.4	-20.2	14.1	10.6
AR turnover (x)	3.6	2.7	3.1	3.4
Inventory turnover (x)	0.0	0.0	0.0	0.0
AP turnover (x)	10.1	10.2	11.8	12.9
ROA (%)	7.2	5.9	6.6	7.0
ROE (%)	19.6	13.4	13.7	13.5
ROIC (%)	69.8	80.7	65.8	57.4
Debt-to-equity ratio (%)	157.0	132.6	115.8	101.5
Current ratio (%)	135.3	144.2	153.5	163.8
Net debt-to-equity ratio (%)	-75.7	-69.5	-66.7	-63.6
Interest coverage ratio (x)	68.9	57.7	74.4	87.2

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Samsung E&A (028050)	08/25/25	Buy	38,000
	07/11/25	Buy	32,000
	02/18/25	Buy	26,000
	11/21/24	Buy	31,000
	03/07/24	Buy	38,000
	11/23/23	Buy	34,000
	04/28/23	No Coverage	



Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

* Our investment rating is a guide to the expected return of the stock over the next 12 months.

* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.

* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	84.91%	5.59%	8.94%	0.56%
Investment banking services	88.89%	0%	11.11%	0%

* Based on recommendations in the last 12-months (as of June 30, 2025)

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